

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 1
FOR THE REGULAR MEETING OF
MONDAY, APRIL 12, 2004 AT 2:00 P.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

SPECIAL ORDERS OF BUSINESS

ITEM-S400: Old Police Headquarters Day.

COUNCILMEMBER MAIENSCHIN’S RECOMMENDATION:

Adopt the following resolution:

(R-2004-1035 Cor. Copy)

Declaring Monday, April 12, 2004 to be “Old Police Headquarters Day” in the City of San Diego.

ITEM-S401: Neil Morgan Day.

COUNCILMEMBER FRYE’S RECOMMENDATION:

Adopt the following resolution:

(R-2004-1036)

Thanking Neil for sharing with us his words, wisdom, and wit; commending him for pushing us to govern this City with integrity and honesty, and saluting him for daring to speak his mind and to challenge the status quo;

Proclaiming April 12, 2004, to be "Neil Morgan Day" in the City of San Diego.

ADOPTION AGENDA, CONSENT ITEMS

ORDINANCE TO BE INTRODUCED:

* ITEM-S402: Amendment to Tenant's Right to Know (Cause Eviction) Ordinance
Section 98.0730.

CITY ATTORNEY'S RECOMMENDATION:

Introduce the following ordinance:

(O-2004-122)

Introduction of an Ordinance amending Chapter 9, Article 8, Division 7 of the San Diego Municipal Code by amending Section 98.0730, pertaining to Cause for Residential Evictions.

SUPPORTING INFORMATION:

On March 30, 2004, the City Council adopted Ordinance No. 19269 (CA No. O-2004-55 Rev.) requiring that long-term tenants in the City be evicted only for causes permitted in the ordinance. The City Attorney advised that provisions permitting eviction to allow occupancy by an owner or relative had been inadvertently omitted from the ordinance. This ordinance corrects that error and further makes clear that the regulations do not limit a landlord's ability to raise rent on any rental unit.

Gwinn/Dugard

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS:

- * ITEM-S403: Initiation of a Community Plan Amendment to Remove the Bay-to-Bay Concept from the Midway/Pacific Highway Corridor Community Plan and Local Coastal Program Land Use Plan.

(Midway/Pacific Highway and North Bay Redevelopment Project Areas.
District-2.)

COUNCILMEMBER ZUCCHET'S RECOMMENDATION:

Adopt the following resolution:

(R-2004-1011)

Initiating a community plan amendment process to:

1. Remove the Bay-to-Bay concept from the Midway/Pacific Highway Corridor Community Plan and Local Coastal Program Land Use Plan;
2. Insert into the community plan an alternative strategy for open space and recreation, in which several parks would be developed in the Midway Community, to be linked by pedestrian/bike routes;
3. Insert into the community plan architectural and landscaping guidelines that are similar to those identified for implementation by the Midway Community Planning Advisory Committee in the North Bay Conceptual Plan;
4. Identify portions of the community where mixed-use, urban, transit-oriented development should be encouraged;
5. Make other appropriate changes needed to bring the community plan up to date with relevant community and redevelopment goals for the area.

SUPPORTING INFORMATION:

The "Bay-to-Bay Link" is a proposed concept to build a canal between San Diego Bay and Mission Bay. In 1994, this concept was discussed in a series of public workshops. As a result, Bay-to-Bay was included in the North Bay Redevelopment Plan (May 1998) and the Midway/Pacific Highway Corridor Community Plan and Local Coastal Program Land Use Plan (January 1999).

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

* ITEM-S403: (Continued)

SUPPORTING INFORMATION: (Continued)

In January 2002, the City commissioned the Bay-to-Bay Feasibility Study, to determine whether or not it was physically possible to build a Bay-to-Bay Link and, if so, how much it would cost and what issues might be involved. The final Feasibility Study, which was completed in October 2003, analyzed three options:

	<u>Project Cost</u>
Option 1: Navigable Canal	\$574,315,112
Option 2: Greenbelt with Non-Tidal Waterways	\$433,383,941
Option 3: Greenbelt without water features	\$324,658,251

All three options would require huge capital costs to build, and they would require significant annual maintenance costs. In addition, all three options would involve a long, expensive process to acquire private land. The Study estimated that land acquisition alone would cost \$276 to \$362 million. The prolonged, uncertain nature of the acquisition phase may damage the real estate market in the surrounding Midway district.

Options 1 (Canal) and 2 (Non-Tidal Channel) would encounter serious engineering issues - e.g., subsurface conditions, geotechnical issues, water quality and environmental concerns - that might prevent the project from being completed. The Study identified numerous utilities, underground storage tanks, culturally/architecturally significant sites, and other obstacles. Relocation of utilities would account for up to \$85 million of the total project cost, depending on which alternative is selected. In addition, the proposed canal would contaminate the San Diego River with sea water from San Diego Bay - which would pose a serious threat to the river's fragile habitat.

Bay-to-Bay has been discussed in several public meetings and the community has consistently opposed the concept. On January 14, 2004, the Midway Community Planning Advisory Committee voted unanimously to remove Bay-to-Bay from the community plan. On March 3, 2004, the North Bay PAC voted 13-1 to: (1) oppose the Bay-to-Bay water link, and (2) support the development of alternative strategies to create multiple parks in the North Bay area.

The proposed resolution would initiate the process to amend the Midway/Pacific Highway Corridor Community Plan and Local Coastal Program Land Use Plan, in order to remove the Bay-to-Bay Concept.

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

* ITEM-S403: (Continued)

SUPPORTING INFORMATION: (Continued)

Staff would also make minor modifications and updates to the community plan, such as: developing an alternative strategy for open space and recreation; adding architectural and landscaping guidelines similar to guidelines proposed in the North Bay Conceptual Plan; and analyzing potential sites where transit-oriented and mixed-use development should be encouraged. The community plan amendment will be a future action by the City Council.

FISCAL IMPACT:

Costs associated with processing the Community Plan Amendment will be paid for by North Bay Redevelopment funds and are estimated to be \$55,000.

Zucchet

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

- * ITEM-S404: Retention Agreement with Vinson & Elkins to Provide Representation Before the Securities and Exchange Commission and to Prepare an Internal Report on Disclosure Practices.

CITY ATTORNEY'S RECOMMENDATION:

Adopt the following resolution:

(R-2004-1044)

Authorizing the City Attorney to execute an amendment to the retention agreement with Vinson & Elkins, for an additional amount not to exceed \$350,000, for a total contract amount not to exceed \$500,000.

SUPPORTING INFORMATION:

The City previously retained the law firm of Vinson & Elkins ("V&E") to prepare an internal report on the City's securities disclosure practices from 1996 through the present. The City Manager authorized the retention in an amount not to exceed \$150,000. Subsequently, the City was informed that the Securities & Exchange Commission ("SEC") had begun an investigation into certain City financial matters, and the City requested that V&E expand their scope of services to include representing the City at the SEC. The initial authorization is insufficient for these purposes, and additional authorization is now being sought in an amount not to exceed \$350,000, for a total contract amount not to exceed \$500,000.

Girard/Ewell

Aud. Cert. 2400977.

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

- * ITEM-S405: Retention Agreement with KPMG LLP to Perform an Audit of the City's FY 2003 Basic Financial Statements.

CITY ATTORNEY'S RECOMMENDATION:

Adopt the following resolution:

(R-2004-1045)

Authorizing the City Manager to execute an amendment to the retention agreement with KPMG LLP, for an additional amount not to exceed \$250,000 for a total contract amount not to exceed \$500,000.

SUPPORTING INFORMATION:

On January 27, 2004, the City filed a voluntary financial disclosure concerning, in part, certain errors and correctible statements in the City's FY 2002 Consolidated Annual Financial Report ("CAFR"). As a result, the FY 2003 CAFR has not been finalized and issued. The City Manager previously retained the firm of KPMG LLP to perform the audit of the City's FY 2003 basic financial statements, which are included in the CAFR, before the FY 2003 CAFR is finalized and issued. KPMG has been determined to be the only firm capable of providing the necessary services in a timely fashion and at the least cost. The total cost for the necessary services was anticipated to be approximately \$500,000, however in order to meet the City's timing needs for the finalization of the FY 2003 CAFR, the City Manager authorized the execution of an engagement letter with KPMG to begin the work in the initial amount of \$250,000. Additional authorization is now being sought from the City Council to permit the completion of the audit.

Girard/Ewell

Aud. Cert. 2400976.